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SUBJECT: EGYPT LABOR UPDATE: GOE SHUTS DOWN LABOR NGO,  
STRIKES PERSIST

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Sensitive but unclassified. Please protect accordingly.

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Summary  
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11. (SBU) The GOE's closure of the Center for Trade Union and Workers Services (CTUWS), combined with recent public statements, may indicate its tolerance of ongoing wildcat strikes is eroding. Some public sector brickworks employees, dairy workers, textile workers, and garbage men are currently involved in protests or strike action. Disgruntled flour mill workers in Cairo and Giza held off on strike action in late March - early April, but their stop-gap agreement with the GOE will expire in June. One labor activist used a recent Ibn Khaldun Center conference to announce the formation of a "free" (and illegal) parallel labor union, although the move lacks credibility and grass-roots support. President Mubarak said in his May Day speech that Egypt would push forward with democratization and economic liberalization, and would seek economic growth through greater investment, industrial development, and restructuring of public companies. End summary.

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GOE Shuts Down Labor Rights Group  
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12. (SBU) On April 25, Egyptian State Security officers closed the headquarters of labor rights group the Center for Trade Union and Worker Services (CTUWS) in Helwan, an industrial city just south of Cairo, after the Ministry of Social Solidarity accused the organization of inciting labor unrest throughout the country and for failing to register as an association. The closure of the CTUWS headquarters followed the closing of two of CTUWS' branch offices in recent weeks.

13. (SBU) Labor activist contacts have told us that they believe the GOE is shuttering CTUWS as punishment for its role in advising striking workers of their legal rights and previous GOE promises regarding pay and bonuses, and for its role in exposing widespread irregularities in 2006's labor union elections (ref C). The Minister of Manpower Aisha Abdel Hady and Egyptian Trade Union Federation (ETUF) head Hussein Megawer have both stated publicly that CTUWS has been responsible for inciting recent unrest. CTUWS head Kamal Abbas, however, has said the GOE is trying to use him as a scapegoat for the series of strikes that have hit Egypt over the past several months. Contacts have also told us that CTUWS found itself in the middle of a tussle between Abdel Hady and Minister of Investment Mahmoud Mohieldin over the latter's use of CTUWS to help negotiate settlements with striking workers this past December, a plan Abdel Hady did not endorse.

14. (SBU) Human Rights Watch (HRW) immediately condemned the closure, and called on the GOE to reverse its closure order and cease harassment of the organization. Press releases quoted HRW's Middle East director Leah Whitson as saying "closing the offices of a labor rights group won't end labor unrest" and that the GOE "should be upholding legal commitments to Egyptian workers instead of seeking a scapegoat." Amnesty International (AI) condemned the closures in an April 26 press release, saying that the move will impede Egyptian workers from accessing information and advice about labor rights. Egyptian Muslim Brotherhood (MB) Deputy Head Dr. Mohamed Habib also publicly denounced the closures, and called on the GOE to respect the rights of

workers. The Brussels-based International Trade Union Confederation (ITUC) announced its solidarity with CTUWS, and said it has sent a letter to President Mubarak urging him to instruct relevant GOE departments to rescind restrictions on CTUWS activities. Thirty-seven Egyptian civil society organizations also issued a joint denunciation, saying the GOE's actions contradict its promises on democratic reform.

15. (SBU) The closure of the Helwan headquarters followed the  
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March 29 closure of the Naj Hammadi office in Qena Governorate (south of Cairo) and the Mahalla el Kubra office (Nile Delta region) on April 10. According to eyewitnesses, several hundred security personnel enforced the office closures, and police trucks remain stationed near the closed offices. Despite protests and sit-ins organized by workers in support of CTUWS, the closures did not spark any known outbreaks of violence.

16. (SBU) Citing a failure of the official unions in supporting worker rights in a democratic manner, labor activists established CTUWS in 1990, vowing to provide direct support and services to workers disregarded by the union structure and to develop the labor movement by strengthening its capabilities. CTUWS is registered as a civil company. According to CTUWS, it attempted in 2003-2004 to register as an association (i.e., as a non-governmental organization with Egypt's Ministry of Social Solidarity), but was denied due to legal prohibitions against associations engaging in trade union activities.

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Birth of a Free Labor Union?  
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17. (SBU) On April 24, Saad Eddin Ibrahim's Ibn Khaldun Center hosted a gathering of trade unionists and labor activists to discuss the ongoing strikes and the issue of free and democratic labor unions. Emboff attended the event and noted perhaps only 20 persons in attendance -- much less than the 40-50 that normally would attend similar events at the Center. During the meeting, labor activists, in response to recent press pieces, refuted statements by the Communist Party that it had a role in organizing the ongoing strikes, chalking it up to opportunism on their part. Local press quoted event organizer Ahmed Abdallah as saying that "most workers had never heard of (communist leader) El Alim...before he made his statements claiming responsibility for the strikes."

18. (SBU) Grabbing the headlines, however, were comments by self-styled labor organizer and activist for the El Geel ("The Generation") Democratic Party, Ali El Badry. Denouncing the Mubarak government and Minister of Manpower Abdel Hady in particular, a visibly animated El Badry cried at the conclusion of his remarks that "Aisha, you will pay the price!" for neglecting Egypt's workers. El Badry's main announcement, however, was his intention to form a "free union" operating parallel to the sole legal trade union federation ETUF. (Comment: Such a move would contravene Egyptian law. End comment) El Badry said he was already in the process of recruiting membership and that he would unveil his plan during May 1 protests in Cairo's Tahrir Square and several provincial capitals.

19. (SBU) Emboff and Labor FSN had previously met with El Badry on April 7, at the urging of Saad Eddin Ibrahim, to discuss his plans. (Comment: Based on that meeting, post has serious doubts about the seriousness and credibility of El Badry and his "free union" movement. Additional details to be reported septel. End comment.) El Badry, who also said he was looking for USG financial support for his activities, demurred when queried about current membership in his nascent organization, saying "a couple of thousand" had signed up but he was not sure at precisely how many. El Badry presented us with a copy of his manifesto and the membership form that was being distributed "under the table" to prospective members.

110. (SBU) Local observers, including influential leftist blogger Hosam el Hamalawy, consider El Badry's purported movement as lacking in grass-roots support and unable to mobilize enough workers to generate anything more than symbolic protest. El Hamalawy also criticized the planned top-down evolution of El Badry's "free union," stating that "free and parallel associations cannot parachute in from above" with the expectation that workers to flock to the cause. He argues that any parallel movement must be grown from the factory level with the eventual goal of establishing a national structure.

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Labor Unrest Ongoing  
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111. (SBU) With the major strikes of late 2006 and early 2007

having set the precedent of GOE acquiescence to pay and bonus demands (Refs A - C), sit-ins and wildcat strikes in Egypt's public sector companies, although smaller than those reported in reftels, are ongoing. Workers in publicly-owned companies as diverse as the Egyptian Company for Dairy Products and the Arab Sand Brick Company have begun sit-in and strike actions in recent weeks to protest anticipated layoffs and demand previously-promised bonuses. Textile worker strikes, although much smaller than the large ones of this past winter, have occurred in recent weeks in Alexandria and the Nile Delta region. Garbage collectors in Giza are involved in an ongoing strike over unpaid salaries, and press reports indicate six of them were arrested on April 29 on charges of illegal assembly. Workers from the giant Ghazl El Mehalla textile factory (reftels) are also continuing their push to have their local union leadership impeached, and were recently denied permission to conduct a public protest in Cairo.

¶12. (SBU) Minister Abdel Hady has been quoted on local television as having said "the situation has gone on long enough," warning that "there are those who want to ignite a revolution." During an April 30 interview with Nile TV News, Abdel Hady said that while sit-ins, protests, etc. have their place, workers should go through "all legal channels" before resorting to strike action. (Note: As per reftel, any strikes not approved by the national union structure, i.e. all of them in recent months, are considered illegal. End note.) Abdel Hady also accused "certain newspapers and satellite channels" (NFI) of pushing the workers toward strike actions.

¶13. (SBU) In late March and early April, over 5,000 workers at the North Cairo, South Cairo, and Giza flour mills held sit-ins and marches inside the factories to protest a move by the Ministry of Social Solidarity to reduce the daily wheat quota allocated to each of the mills. The workers argued that this reduction would have severely reduced workers' bonuses and annual profit shares, which are tied to production. The workers also argued that the reduction was part of GOE plan to phase out the mills and shift bread production to the private sector. Strikes -- and potential bread crisis in Cairo and Giza -- were averted when the Ministers of Social Solidarity, Manpower, and Investment agreed to freeze the reductions until June 2007. Mill workers are hoping for a permanent settlement prior to June, but will re-evaluate their strike options should one not be reached.

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Mubarak's May Day Speech  
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14. (SBU) Mubarak delivered his annual May Day speech on April 29 at ETUF headquarters in Cairo. Mubarak focused his speech on GOE efforts to promote economic growth, and thus employment, through attracting FDI, increasing the industrial base, and restructuring public sector companies. He said reform at all levels will proceed, including democratization and economic liberalization. The "lower income categories" of society would be protected through increased public sector wages, increased appropriations to the Ministry of Social Solidarity and through better-targeted subsidies. Only addressing the recent labor unrest in general terms, Mubarak acknowledged that some protests are "a natural consequence" of reform, but the Egyptian President implored workers with grievances to follow legal channels. Mubarak also called for coordination between the Ministry of Manpower and other government departments in addressing labor issues and called for a stronger relationship between the government, Federation of Industries, chambers of commerce, and the labor unions.

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Comment  
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¶15. (SBU) Public comments by GOE officials, in addition to  
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more stringent interventions by security services, indicate growing GOE impatience for the ongoing labor unrest. By raising in the media the specter of labor provocateurs, the GOE may be seeking to deflect public attention, but it will do little to resolve the real grievances of workers over pay and working conditions. In the background of all of these public sector strikes is a fear of privatization. Mubarak seemed to acknowledge this in his speech, noting that some labor protests "are a natural consequence of reform."

¶16. (SBU) While we do not feel El Badry's "free union" movement has any credibility, potential leaders of future labor structures may be emerging. Mohammed El Attar, a shop-floor leader of the massive December 2006 textile worker strikes in Mehalla El Kubra, and the leader of the drive to impeach GOE-approved textile union leadership, has emerged as mouthpiece for public sector workers' grievances. We will closely monitor any emergence of potential leadership of a parallel labor movement.  
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